

TO: Finance and Personnel Committee

DT: February 26, 2010

FM: Herbert Pike, Finance Director

Re: Financial Reports
--December 2009

The following are highlights of the financial reports for December 2009.

Cash on Hand (Figure 1)

Cash on hand decreased to \$0.94 million on December 31 from \$1.98 million on November 30. The decrease is largely attributed to the payment of the prior year OPEB obligation to CalPERS (\$565 thousand) and payoff of the mortgage on ABAG's space at the MetroCenter. The December balance includes approximately \$0.54 million invested in the Local Agency Investment Fund (LAIF). Currently, ABAG does not hold any other investments. The December 31 cash balance is approximately \$155 thousand less than the prior year, the latter being attributed to an increase in the percentage of personnel costs attributed to leave usage compared to the prior year, as well as a slight portion of salaries charged to overhead as opposed to billable grant projects.

Receivables (Figure 2)

Receivables from grant and service programs amounted to about \$3.28 million on December 31, an increase of \$267 thousand from the month prior. The increase results from primarily to the suspension of overhead reimbursement pending CalTrans audit review. Compared to December 31 of the year prior, the total reflects a decrease of approximately \$440 thousand.

Actual vs. Budgeted Expenses (Figure 9)

Total expenses through December 31 amounted to about \$8.35 million, or 36.29 percent, of projected annual expenses of \$23.01 million for FY 09-10.

Actual vs. Budgeted Revenues (Figure 10)

At December 31, total revenues amounted to about \$8.10 million, or 35.36 percent, of projected annual revenue of \$22.91 million for FY 09-10.

As of December 31, both revenues and expenses are below "projected" annual totals. While revenues and expenditures might be expected to be 50 percent after the first six months of the new fiscal year, they are less than projections, largely due to the timing of consultant and sub-contractor expenses that lag in getting the billings in for the work performed and, consequently, getting billed and reimbursed for completed work. This "lag" often results in consultant and sub-contractor expenses accelerating in the second half of the year as many projects approach completion.

Fund Equity (Figure 5)

As of December 31, general fund equity was approximately \$805 thousand, an increase of \$1 thousand from November 30. The Agency's restricted fund equity, consisting of capital, self-insurance and building maintenance, remained unchanged at \$510 thousand.

Indirect Cost (Figure 6)

The agency's actual indirect cost (overhead) rate was 44.43 percent of direct labor cost as of December 31, or about 1.48% above the budgeted rate of 42.95 percent for FY 09-10. Most of the excess charges are due to revised allocations of employees' time between Agency Administration/Communications and General Overhead. These issues have been identified and rates are expected to further converge toward the expected rate over the next several months.

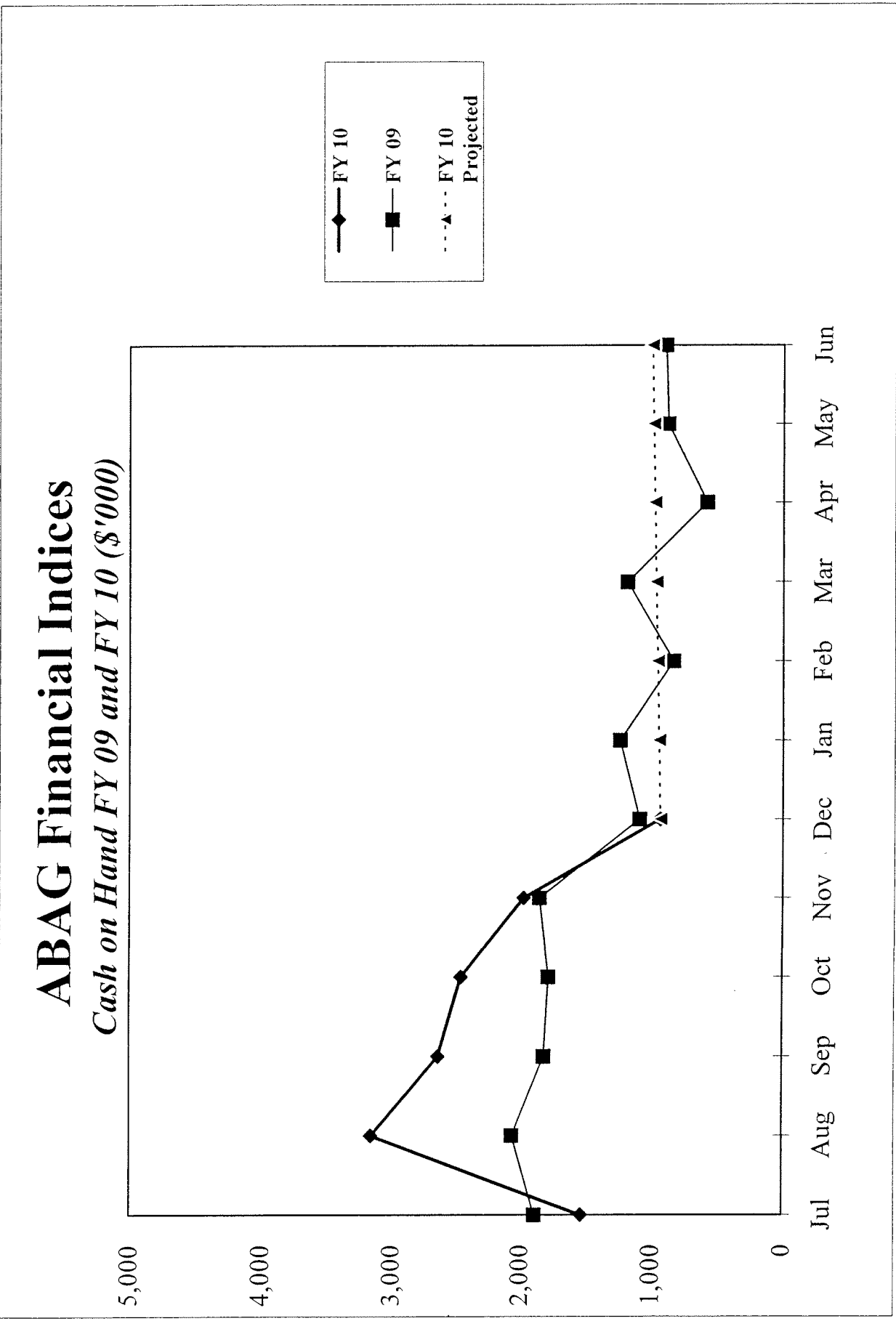
Overall (Figures 3, 4, 7 & 8)

At December 31, the Agency's net financial position is reasonably close to forecast with a deficit of roughly \$248 thousand, or 3.06 percent of year-to-date revenues. Cash on hand and fund balance both reflect decreases that will need to be addressed in the new calendar year. Contributing to the rebound in the second half of the fiscal year is the relative reduction in vacation and holiday leave; in other words, a greater percentage of labor costs becomes billable to grants.

ABAG FINANCIAL REPORTS

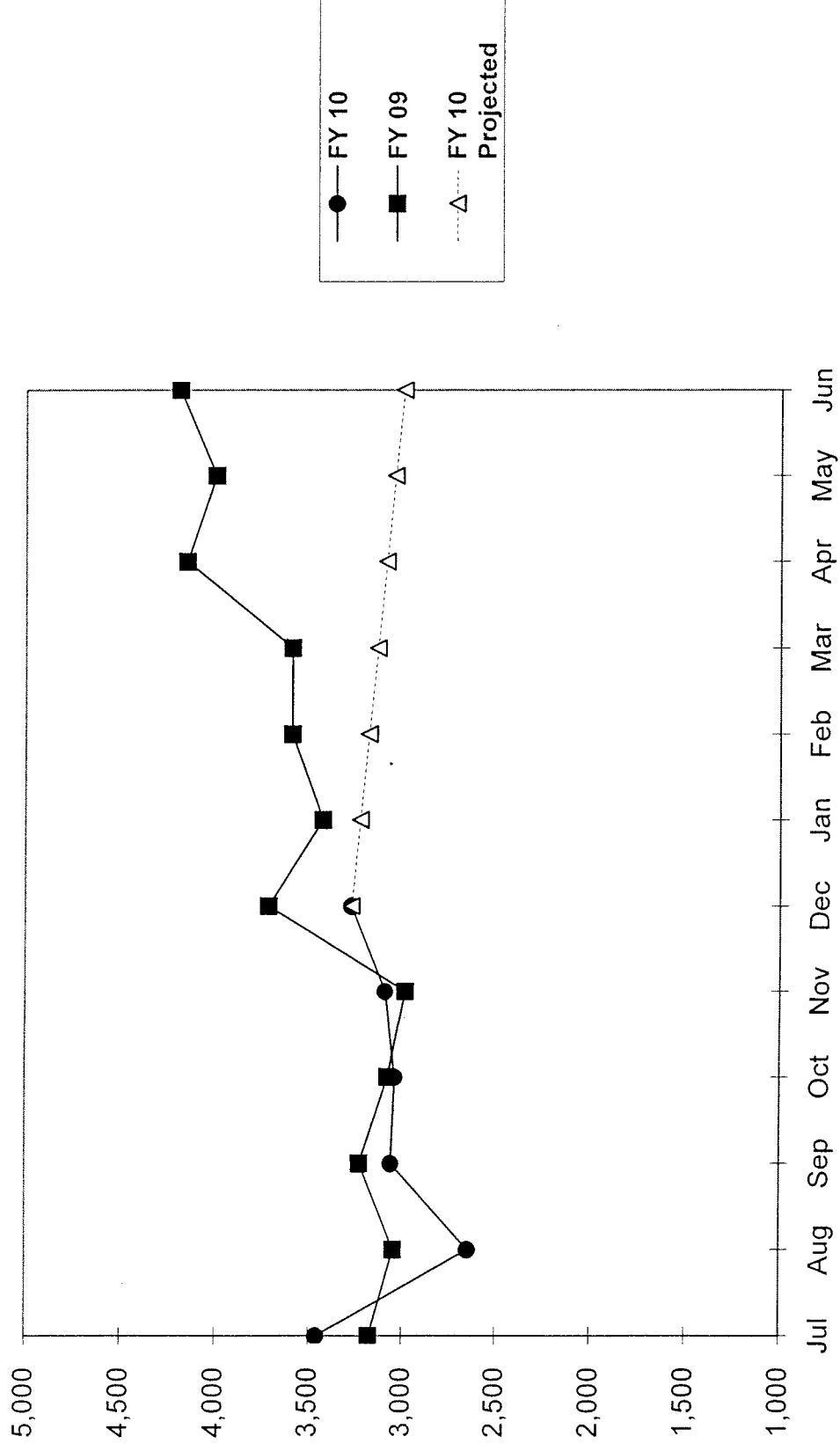
Table of Contents

* Cash on Hand	Figure 1
* Accounts Receivable	Figure 2
* Current Month Revenues and Expenses	Figure 3
* Year-to-date Revenues and Expenses	Figure 4
* Fund Equity	Figure 5
* Indirect Cost Rate (% of Direct Labor Cost)	Figure 6
* Composition of Expenses	Figure 7
* Composition of Revenues	Figure 8
* Actual vs. Budgeted Expenses	Figure 9
* Actual vs. Budgeted Revenues	Figure 10
* Description of Charts	



ABAG Financial Indices

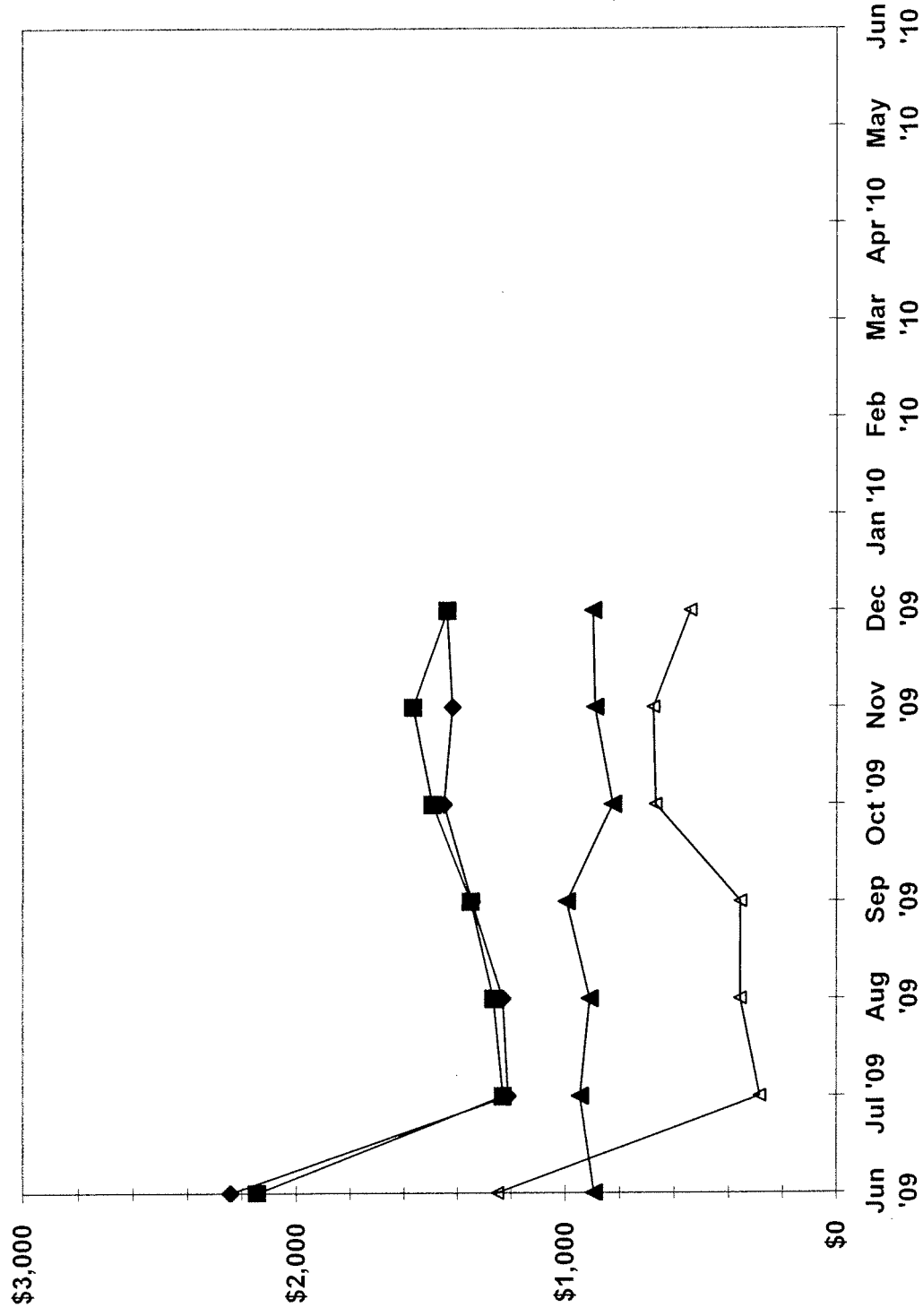
Accounts Receivable FY 09 and FY 10 (\$'000)



ABAG Financial Indices

Current Month Revenues & Expenses

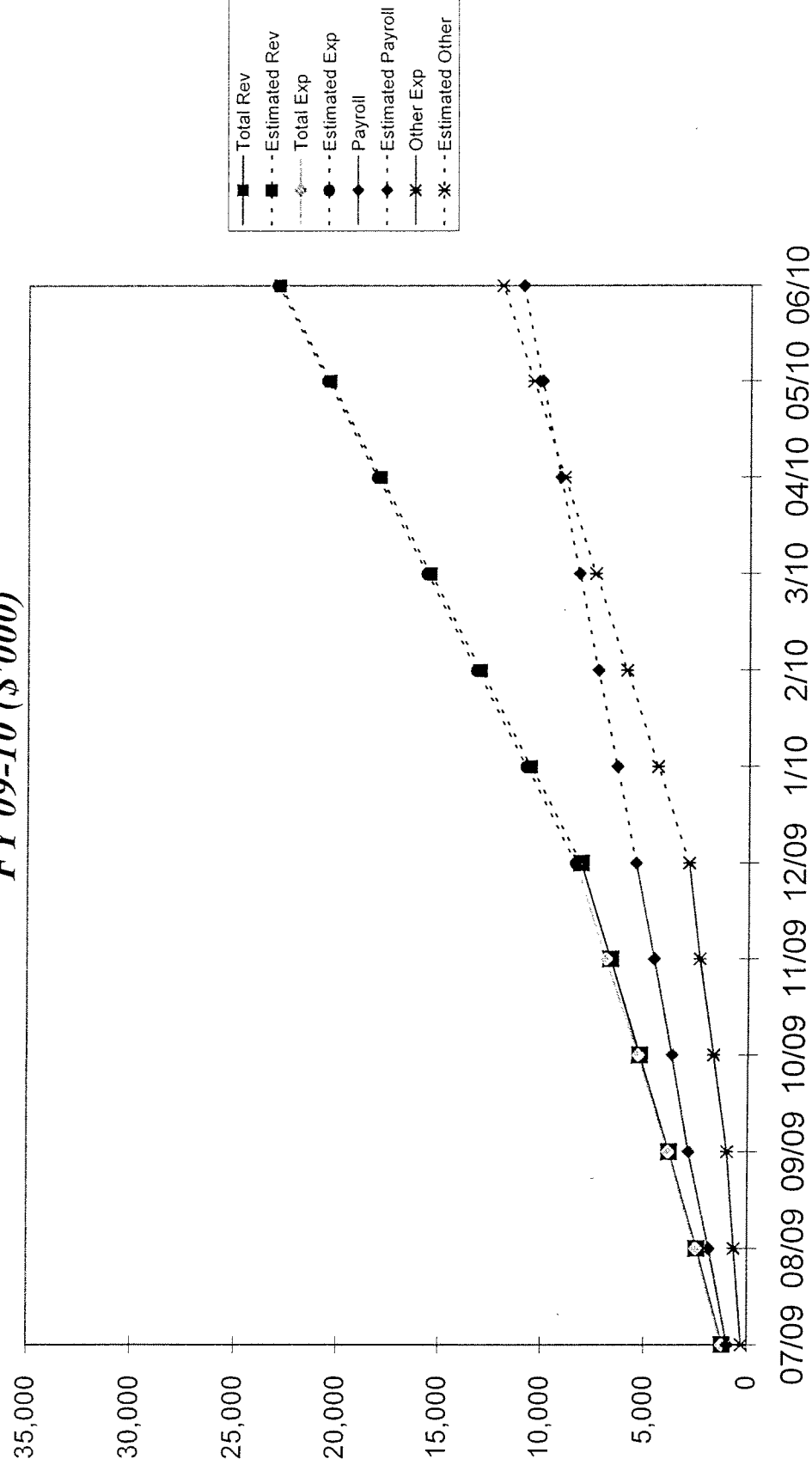
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ABAG Financial Indices

Year-to-date Revenues & Expenses

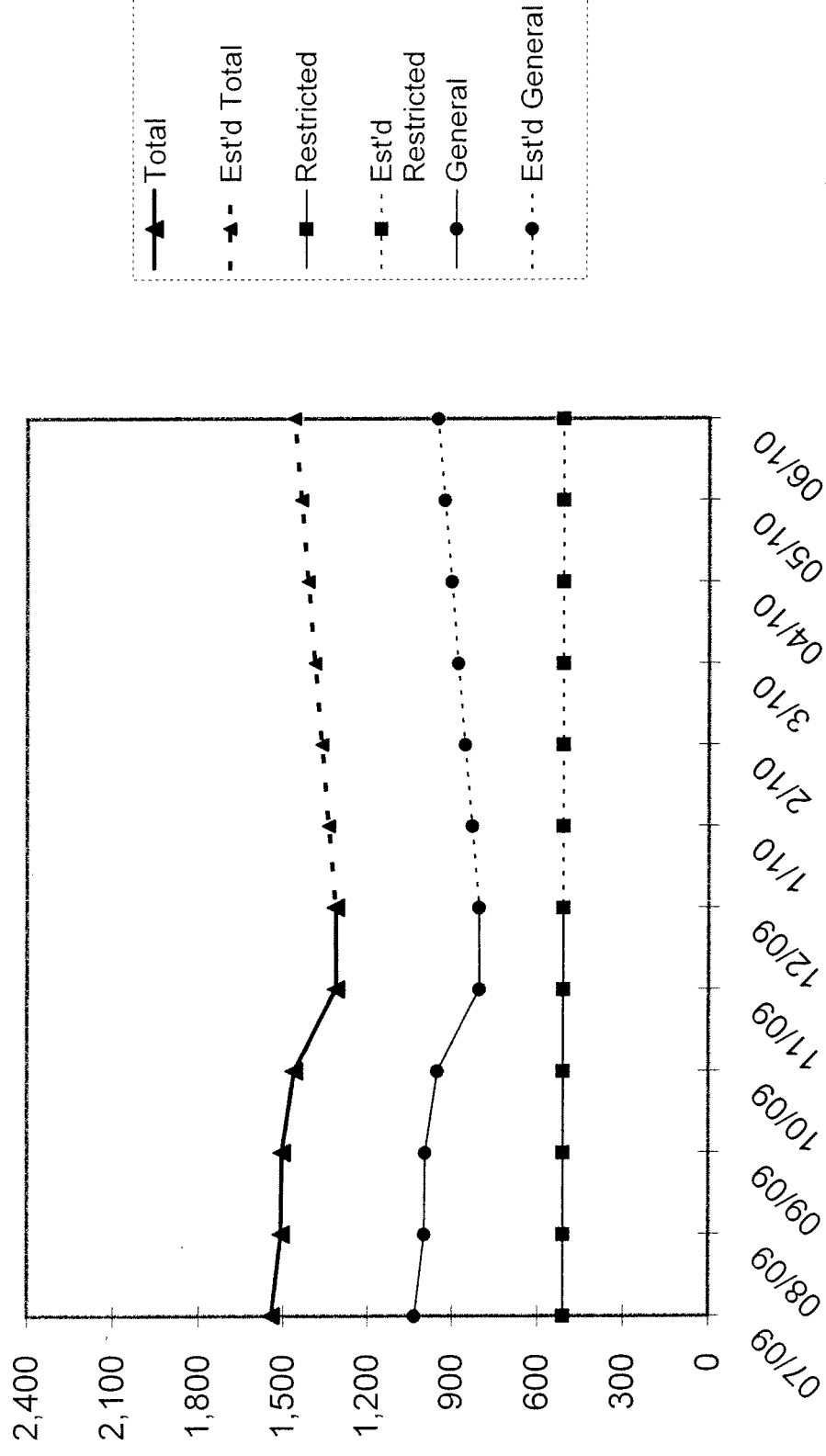
FY 09-10 (\$'000)



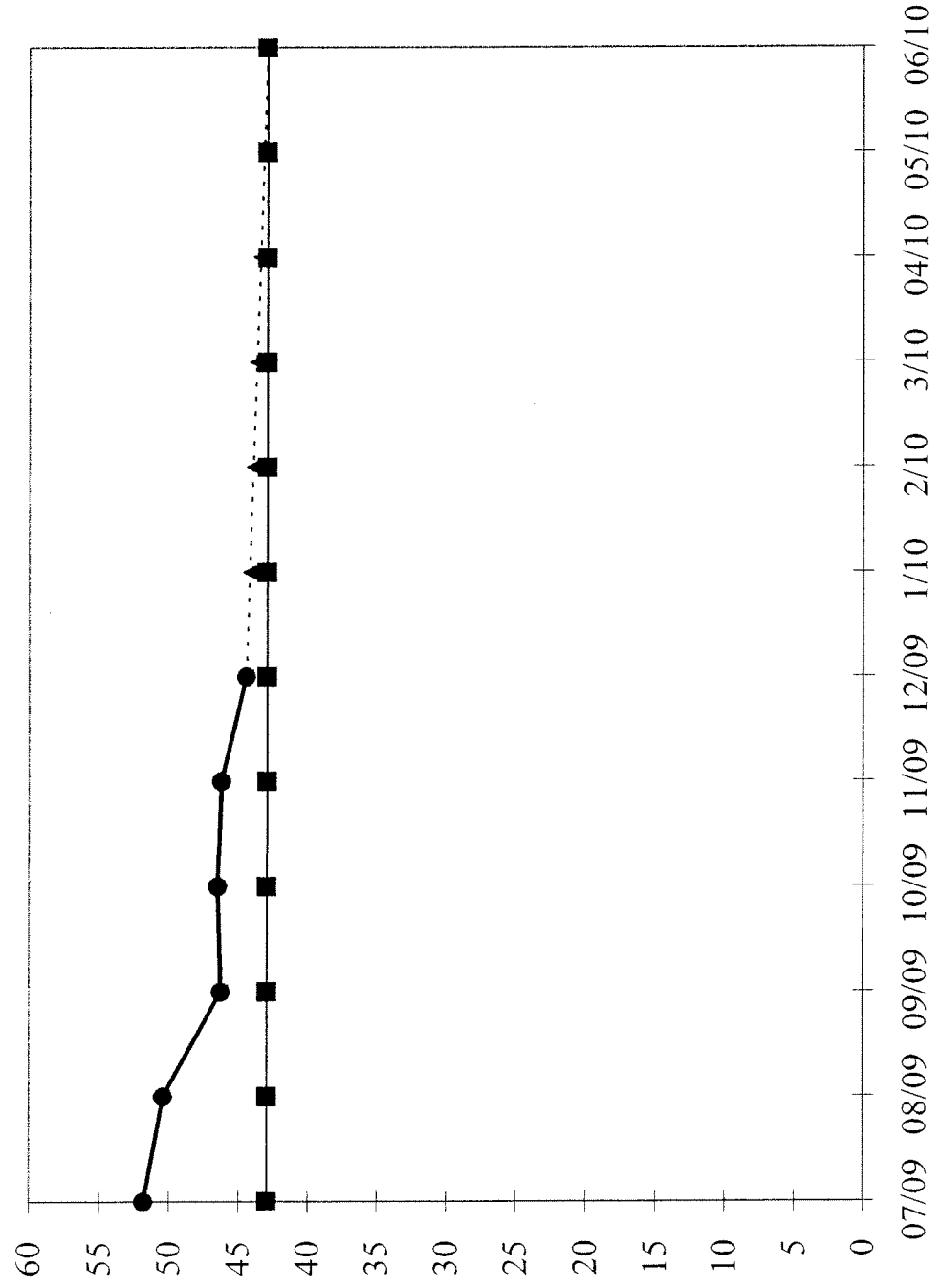
ABAG Financial Indices

Fund Equity

FY 09-10 (\$'000)



ABAG Financial Indices *Indirect Cost Rate (% of Direct Labor Cost)* **FY 09-10**

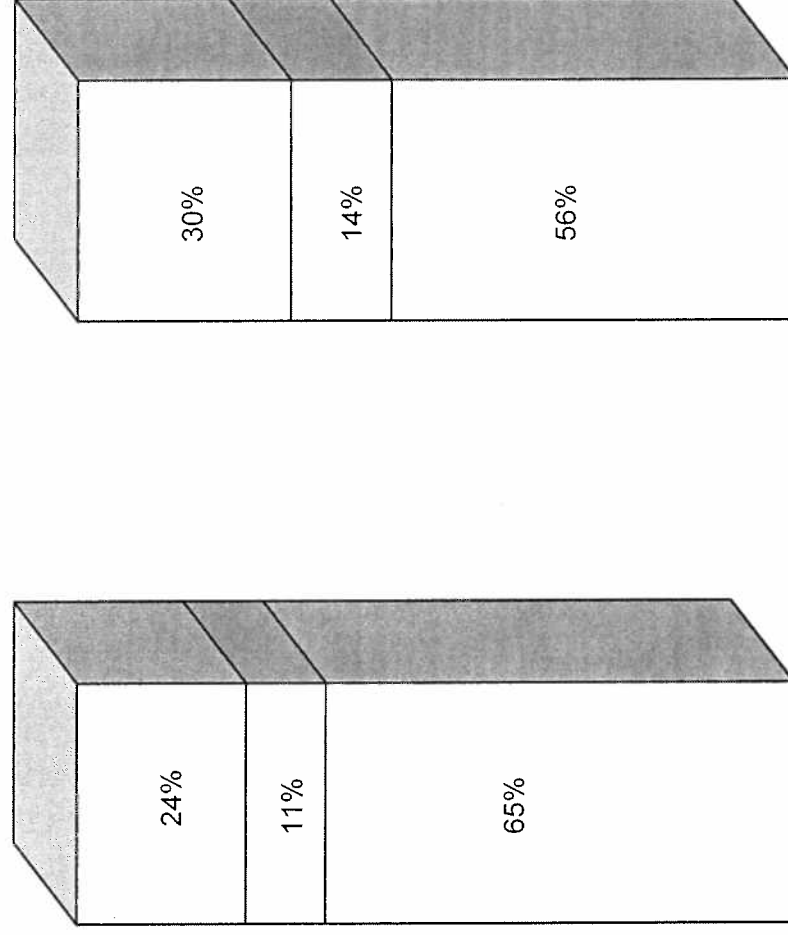


ABAG Financial Indices

Composition of Expenses FY 09--FY 10

Year to Date

(\$'000)



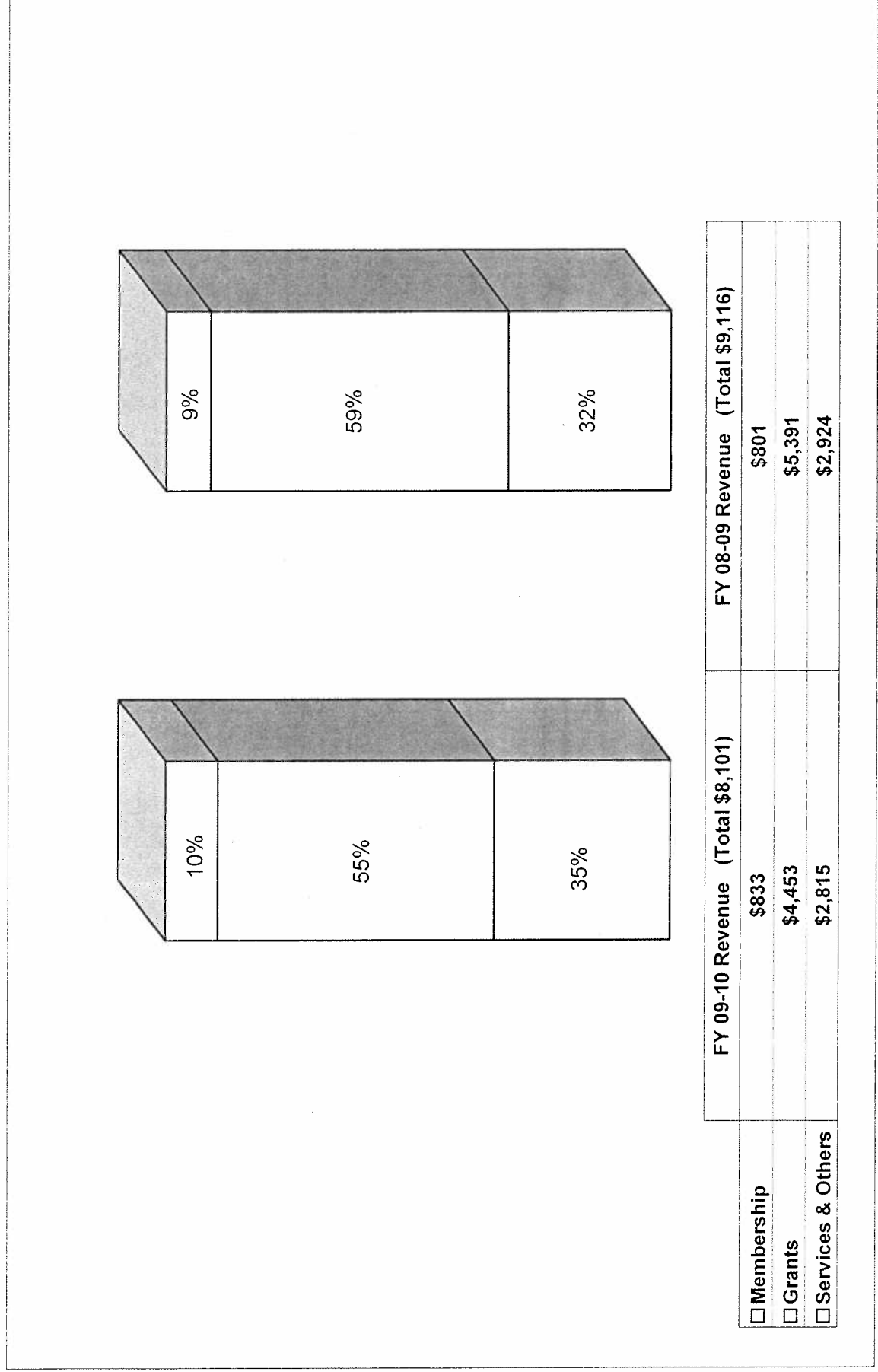
	FY09-10 Expenses (Total \$8,349)	FY08-09 Expenses (Total \$9,261)
Consultants	\$1,961	\$2,743
Others	\$924	\$1,307
Payroll	\$5,464	\$5,211

ABAG Financial Indices

Composition of Revenues FY 09--FY 10

Year to Date

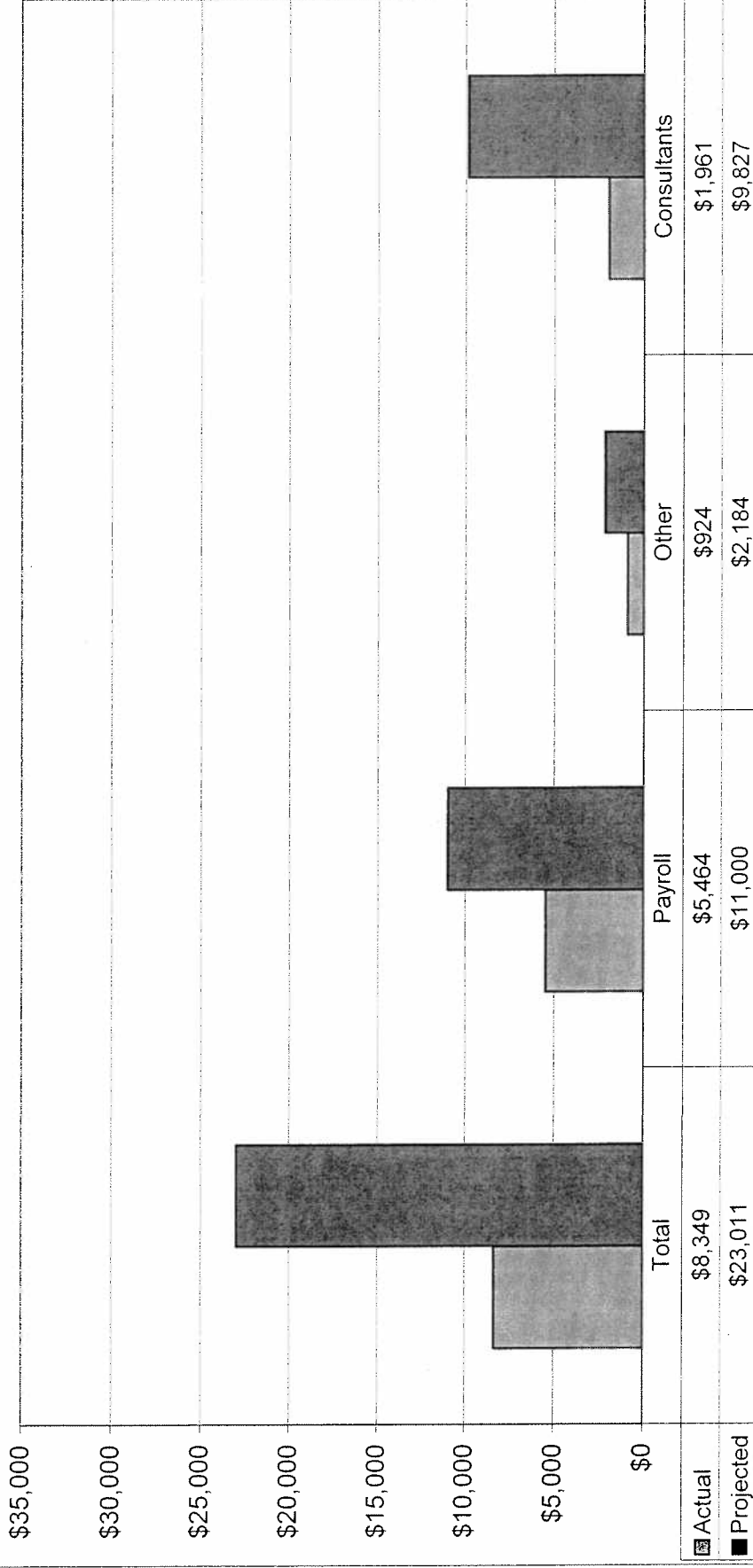
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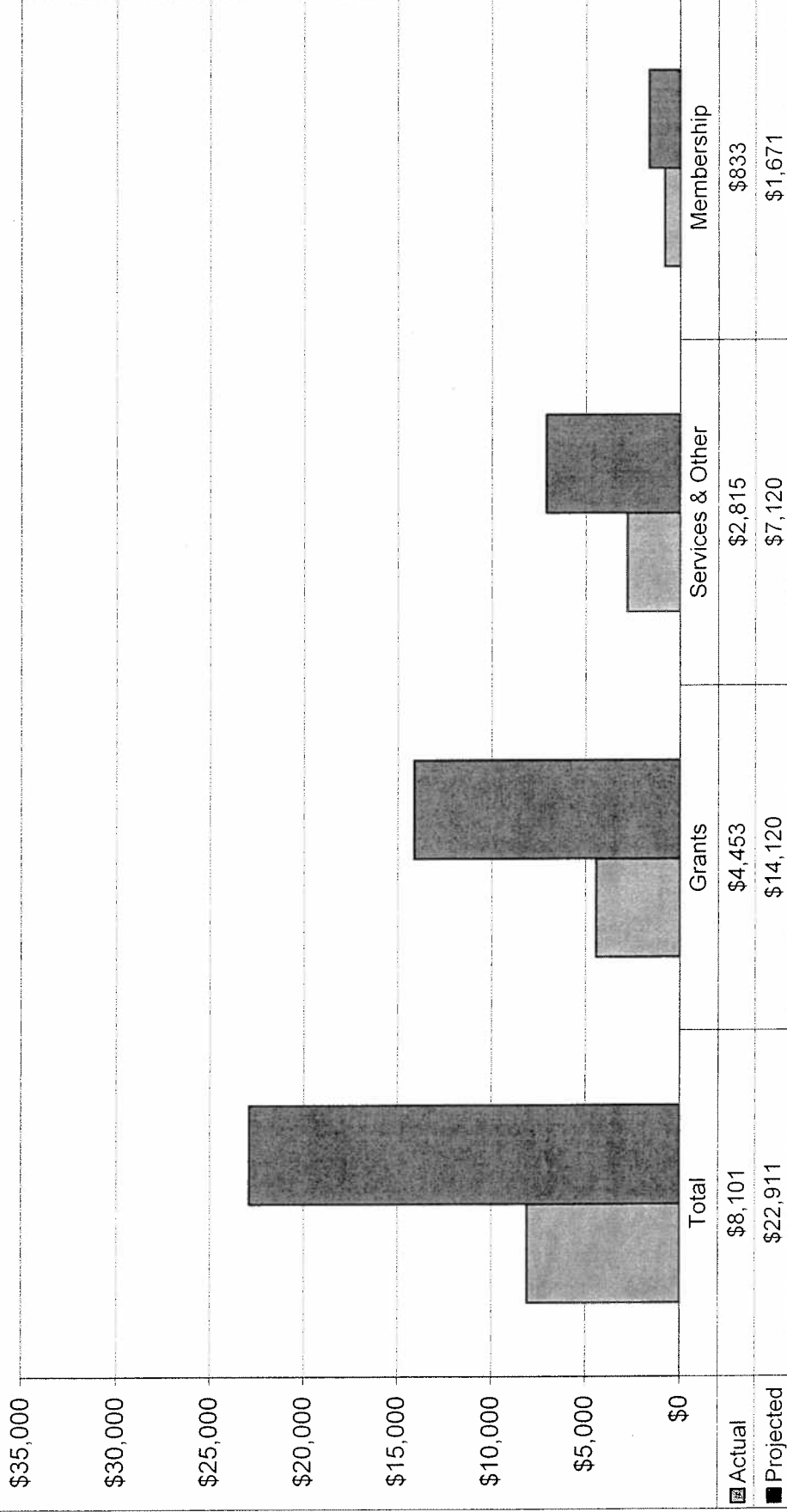
ABAG Financial Indices

Actual vs Projected Expenses--FY 09-10

Year to Date (\$'000)



ABAG Financial Indices *Actual vs Projected Revenues--FY 09-10* *Year to Date (\$'000)*



Description of Charts

Figure 1 -- Cash on Hand

Cash on hand represents the sum total of cash deposited at our bank and the Local Agency Investment Fund (LAIF). This chart shows fluctuation patterns of cash on hand for the current and last fiscal years.

Figure 2 -- Accounts Receivable

Accounts receivable tracked by this chart include receivables generated by grants and service programs over two fiscal years. This chart reflects the reasonableness of our receivable levels. We usually have about six weeks' worth of our annual revenues in receivables.

Figure 3 -- Current Month Revenues and Expenses

Presents month by month total revenues, total expenses, payroll and other expenses for the current fiscal year. The difference between total revenues and total expenses lines represents the overall current month net surplus (or deficit) for the agency.

Figure 4 -- Year-to-date Revenues and Expenses

Presents year-to-date total revenues, total expenses, payroll and other expenses for the current fiscal year. The difference between total revenues and total expenses lines represents the overall year-to-date net surplus (or Deficit) for the agency.

Figure 5 --Fund Equity

Presents general, restricted and total fund equities for the current fiscal year. General fund equity represents unrestricted equity. Restricted equities include building bond interest, building maintenance, self-insurance and capital. These restricted equities represent the agency's equities set aside for specific purposes as approved by the Finance and Personnel Committee. Total equity is the sum total of general and restricted equities.

Figure 6 -- Indirect Cost Rate (% of Direct Labor Cost)

This chart shows a comparison between the actual indirect cost rate and the approved rate. The approved indirect cost rate is computed by dividing total estimated overhead expenses by total projected direct labor cost for a fiscal year. This rate is used as a standard overhead cost rate to allocate indirect costs to all projects. This process is performed in accordance with an indirect cost plan, which is prepared annually in accordance with OMB A-87.

Figure 7 – Composition of Expenses

This chart compares expenses for current and last fiscal years. It groups expenses into two broad categories -- payroll costs and other expenses.

Figure 8 -- Composition of Revenues

Presents a break down of total revenues into four main sources -- membership, grants, services and others. This chart compares revenue sources between current and last fiscal years.

Figure 9 -- Actual vs. Budgeted Expenses

Presents a comparison of actual and budgeted total expenses as well as component categories: payroll costs, consultants and other expenses.

Figure 10 -- Actual vs. Budgeted Revenues)

Presents a comparison of actual and budgeted total revenues as well as component categories: membership dues, grants, services and other.

